

Congress of the United States

Washington, DC 20515

May 15, 2009

Mr. Steve Rattner
Mr. Ron Bloom
Presidential Auto Task Force
1500 Pennsylvania Ave., NW
Washington, DC 20220

Dear Mr. Rattner and Mr. Bloom:

We are writing to express our concerns with the recent announcement by Chrysler and General Motors to cut nearly 1,800 dealerships nationwide. We are concerned about the harmful impact it will have on local communities, as well as the future market-share of American car manufacturers.

Such a drastic reduction of dealerships will be devastating to communities. Car dealerships are an important economic engine. They provide high paying jobs and significant tax revenue for local governments. In our home state of West Virginia, franchised dealers account for over \$3.3 billion in sales, \$165 million in sales taxes and approximately \$75 million in titling fees for the highway fund.

It is not clear how each dealership was chosen for closing or if cutting such a number of dealerships will even have a significant impact on improving the manufacturers' viability. Dealers generate more than 90 percent of manufacturer revenue. A rapid reduction of dealerships undercuts that revenue while doing nothing to address concerns about production and innovation.

In closing, we urge transparency and openness regarding the manner in which these dealerships have been chosen, and we ask that you revisit the current strategy as it relates to such a large number of dealership closures. We believe that dealerships, especially in West Virginia, can be part of the solution to improving the long term solvency of our nation's auto industry. Thank you for your consideration.

Sincerely,



Nick J. Rahall, II
Member of Congress



Alan B. Mollohan
Member of Congress



Shelley Moore Capito
Member of Congress